

October 23, 2019

WHEREAS, the City recognizes the importance of its role in local economic development; and

WHEREAS, on April 27, 2005, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Ten (the "Southwestern Medical TIF District"), City of Dallas, Texas (hereinafter referred to as the "Zone") and established a Board of Directors for the Zone, in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, V.T.C.A. (the "Act"), as amended, to promote development or redevelopment in the Zone by Ordinance No. 25965 and Resolution No. 05-1361, as amended; and

WHEREAS, on January 11, 2006, City Council authorized the Southwestern Medical TIF District Project Plan and Reinvestment Zone Financing Plan by Resolution No. 05-1361; Ordinance No. 26205, as amended; and

WHEREAS, on October 24, 2007, City Council authorized the establishment of the Southwestern Medical TIF District Grant Program by Resolution No. 07-3150, as amended; and

WHEREAS, the creation of additional residential and retail development in the core of the Southwestern Medical TIF District is necessary for the future growth and expansion of residential and commercial activity within the city of Dallas; and

WHEREAS, on August 13, 2014, City Council authorized a development agreement with Texas IntownHomes LLC, to provide reimbursement: (1) for providing affordable for sale housing units in accordance with the Mixed-Income Housing Guidelines for the Single Family Homes Pilot Program in an amount not to exceed \$5,010,000.00; (2) for eligible infrastructure improvement costs associated with the Cedar Branch Townhomes Project in an amount not to exceed \$2,888,366.00; and (3) intent to purchase the affordable townhomes in an amount not to exceed \$3,450,000.00 and intent to sell the affordable townhomes and receive proceeds from the sale of the affordable townhomes to qualified buyers in an amount not to exceed \$1,800,000.00 (includes receipt of an amount of up to \$150,000.00 per unit for up to 12 units if Developer is unable to sell the Phase II units); in accordance with the Southwestern Medical TIF District Project Financing Plan and Southwestern Medical District Grant Program by Resolution No. 14-1271; and

WHEREAS, on August 13, 2014, City Council authorized a development agreement with Texas IntownHomes LLC, to reimburse eligible project costs related to the land acquisition, bridge construction and other infrastructure improvements associated with the Cedar Branch Bridge Project in an amount not to exceed \$826,500.00, Tax Increment Financing Reinvestment Zone Number Ten (Southwestern Medical TIF District) by Resolution No. 14-1273; and

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WHEREAS, on June 22, 2016, City Council authorized an amendment to Resolution No. 14-1271, previously approved on August 13, 2014, which authorized a TIF development agreement with Texas InTownHomes, LLC, to extend deadlines to start construction, obtain building permits, meet the minimum investment requirements, obtain a certificate of occupancy, complete construction of the infrastructure improvements, complete construction of each phase of the project, and to execute an operating and maintenance agreement for the Cedar Branch Townhomes Project by Resolution No. 16-1058; and

WHEREAS, on June 14, 2017, City Council authorized (1) an amendment to Resolution No. 14-1271, previously approved on August 13, 2014, which approved a Tax Increment Financing development agreement with Texas InTownHomes, LLC, for the development of for sale townhomes, to extend deadlines to start construction, obtain building permits, meet the minimum investment requirements, obtain a Certificate of Occupancy, complete construction of the infrastructure improvements, complete construction of each phase of the project; and execution of an operating and maintenance agreement for the Cedar Branch Townhomes Project by Resolution No. 17-0923; and

WHEREAS, on June 14, 2017, City Council authorized amendments to Resolution No. 14-1273, previously approved on August 13, 2014, which approved a Tax Increment Financing development agreement with Texas InTownHomes, LLC, to incorporate additional requirements for the construction of a bridge, a hike and bike trail system, and a retaining wall by Resolution No. 17-0924; and

WHEREAS, on September 11, 2019, the Southwestern Medical TIF District Board of Directors reviewed and recommended approval amendments to Resolution No. 14-1271, as amended, approved by City Council on August 13, 2014, authorizing a development agreement with Texas Intown Homes, LLC (the "Developer"), for the Cedar Branch Townhome project in the Southwestern Medical TIF District to (1) extend the Phase I completion deadline for the project from June 30, 2020 to December 31, 2022; (2) extend the Phase II completion deadline from June 30, 2022 to December 31, 2027; (3) require the \$2,888,366.00 TIF subsidy for Public Infrastructure Improvements to be divided among the 23 affordable townhomes and paid to the Developer at the closing of each affordable townhome; (4) acknowledge that, upon completion and at the closing of an affordable townhome, the Developer will be eligible for a TIF subsidy payment comprised of an affordable housing grant payment and a public infrastructure payment; (5) acknowledge that the TIF subsidy paid to the Developer at the closing of an affordable townhome shall not be subject to recapture; (6) establish that the City's remedy for non-performance or a default by the Developer shall be forfeiture of affordable housing grant and public infrastructure payment TIF funds not yet paid to the Developer at the time of non-performance or default; and (7) increase the minimum private investment for the project from \$25,000,000.00 to \$26,500,000.00 as consideration for the requested amendments; and

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WHEREAS, in furtherance of the Southwestern Medical TIF District Project Plan and Reinvestment Zone Financing Plan and to promote within the Southwestern Medical TIF District: (1) development and diversification of the economy, (2) elimination of unemployment and underemployment; and (3) development and expansion of commerce, the City desires to provide economic incentives and an economic development grant to the Developer for the construction of a connectivity bridge for promoting walkable neighborhood near the Production Drive and Hawthorne Avenue in the Southwestern Medical TIF District.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager is hereby authorized to execute amendments to Resolution No. 14-1271, as amended, previously approved by City Council on August 13, 2014 for a development agreement with Texas Intownhomes, LLC (the "Developer"), approved as to form by the City Attorney, for the Cedar Branch Townhome project in the Southwestern Medical TIF District is hereby amended as follows to:

- I. limit the City's remedy for any default by the Developer to only forfeiture of the affordable housing grant and public infrastructure payment TIF funds not yet paid to the Developer at the time of default, if completion and sales of the townhomes and completion and acceptance of the public infrastructure improvements were in accordance with the development agreement;
- II. extend the Phase I completion deadline for the project from June 30, 2020 to December 31, 2022;
- III. extend the Phase II completion deadline for the project from June 30, 2022 to December 31, 2027;
- IV. allow the \$2,888,366 TIF subsidy for public infrastructure improvements, that are completed and accepted by the City in accordance the agreement, be evenly divided among the 23 affordable townhomes and paid to the Developer at the closing of each affordable townhome sale to a qualified buyer, in the amount of \$125,581.13, in accordance with the development agreement;
- V. allow for no recapture of TIF subsidy amounts (both affordable housing grant and public infrastructure payments) paid to the Developer at the closing of an affordable townhome sale to a qualified buyer, if completion and sales of the townhomes and completion and acceptance of the public infrastructure improvements were in accordance with the development agreement; and

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SECTION 1. (continued)

- VI. increase the minimum private investment for the project from \$25,000,000.00 to \$26,500,000.00 as consideration for the requested amendments.
- VII. Clarify that the Developer must obtain a certificate of completion from the City upon completion of the townhomes, not a certificate of acceptance.

SECTION 2. That with the exception of the sections above, all other requirements of Resolution Nos. 14-1271, 14-1272, 16-1058 and 17-0923, as amended, will remain in full force and effect.

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.